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RETIREMENTS

The firm formally acknowledged the retirements of John Stevens and Roger Chapman from the directorship of Johnston Lawrence this month.

Milestone events for our firm, John and Roger have been a major part of Johnston Lawrence. John was of course a foundation partner of JL while Roger had been a partner of the firm since 1993.

John, a former chairman of NZ Law Limited, was the managing partner and a guiding force in the development of Johnston Lawrence including incorporating Beere & Riddiford in 1970, amalgamating with Lawrence Elder & Co in 1988 and incorporating Gilbert Swan in 2008.

He acted as senior advisor to REINZ for over 30 years and has been a principal legal counsel to Maori land owning groups, advising them on commercial projects, rural development and Treaty claims.

As Special Counsel, John will continue his specialist involvement with the Maori land owning groups.

Roger was a partner of the firm since 1993 and leader of our Litigation & Dispute Resolution team. A major figure in the areas of personal injury, medical and family law matters, Roger successfully acted for a number of groups of claimants seriously affected

by medical negligence or defective products.

A former chair of LEADR NZ, the foremost professional mediation organisation in Australasia, Roger was frequently asked to act as a mediator and that is a commitment he will be continuing privately.

Roger is also looking forward to spending time with his family and pursuing other interests in life. He will be sorely missed, especially by the team here at JL.

Ian Lawrence has also retired from the directorship and will continue to work for his clients as a Consultant. The firm will formally recognize Ian's retirement at a later date after his return from leave.

A NEW ERA AT JL

The leadership structure at Johnston Lawrence Limited is now changed, following the retirements from the directorship.

Richard Perry, Peter Barrett and Nicholas Burley are the continuing directors of the firm, moving Johnston Lawrence forward into a new era of vision and development.

Supported by our team of bright and enthusiastic lawyers and hardworking support staff, it's an exciting new chapter to which we're looking forward.

With the assistance during this phase of John Stevens and Ian Lawrence in their Special Counsel and Consultancy capacities respectively, it helps to ensure no disruption and that our momentum is maintained during this transition.

Please feel free to contact any of the directors or our practice manager Eddy Allan should you require assistance or further information.



Richard Perry, Nicholas Burley & Peter Barrett with Roger and John.



Roger, John, Mary Stevens and Jill Chapman.

A STRONG EMPLOYMENT AGREEMENT COULD SAVE YOUR BUSINESS

If you're negotiating the terms and conditions of an employment agreement with a prospective employee for a senior or key position, you need to think about how to protect your business if the employee leaves. Such employees are often entrusted with confidential information and the management of important client relationships, so when they leave, they can potentially cause your business significant loss.

Employees are allowed to use the skills and knowledge they gain during employment to make a living; even if that means competing with your business.

If you want to prevent an employee from competing unfairly against your business after his or her employment ends, you must include a restraint of trade clause in the employment agreement. Restraints of trade can be used to stop an employee taking advantage of his or her knowledge of your relationships with suppliers or customers, impending business transactions or opportunities, or information that belongs to you.

It's tempting to draft a restraint of trade clause so that it applies for several years over a wide geographical area. To be effective, however, the restraint should be as narrow as possible to protect your ownership rights. The courts will not enforce a restraint of trade that's unreasonable. Whether a restraint is considered reasonable depends on factors such as the nature of your business, the seniority of the employee, the

geographical area to which the restraint applies and the duration of the restraint.

Employment agreements will often include a 'non-solicitation' clause in addition to a restraint of trade. A non-solicitation clause is a form of restraint of trade, but it's specifically aimed at stopping your employee from taking your clients, suppliers and/or staff when he or she leaves.

It's important to include a confidentiality clause expressly prohibiting your employee from using sensitive or confidential information after their employment relationship ends. The clause should specify exactly what information you consider to be confidential, for example, your profit margins. Without an express confidentiality clause, you would have to rely on an implied common law duty to stop your employee from using information you consider confidential. The common law duty only protects highly confidential information, such as trade secrets. By comparison, a confidentiality clause can be drafted more widely to provide you with the best possible protection.

With the exception of trade secrets, most confidential information loses its confidential status over time, so a former employee will eventually be able to use that information. How long any particular information retains its confidentiality depends on the quality of that information and circumstances of the situation.

Trade secrets may be protected indefinitely.

You will also need to think about other terms and conditions, such as how much sick leave and annual leave to offer your employee.

Even if you hope an employee will work silly hours and not have a life outside the office, offering the statutory minimum of leave is unlikely to be attractive to a senior applicant. A little generosity with leave entitlements may soften the impact of restraint of trade and confidentiality clauses that unashamedly protect the business.

Drafting an employment agreement is a task not to be taken lightly. The terms and conditions of the agreement are the cornerstone of the employment relationship, and setting out an employee's obligations after the relationship has ended may prove extremely valuable.

Angela is an Associate in our firm and provides commentary as a legal expert for the Your Law business section of the Sunday Star Times.

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Our website is regularly updated with news and other useful information.

Access to this newsletter and other publications we regularly send out to you are available easily. These include the property, trusts, commercial and rural e-newsletters in addition to our *fineprint* newsletter.

Of course, you're also able to check out info about our lawyers if you're looking to require legal advice and assistance.



RECENT ACHIEVEMENT

Sarah Hosegood was admitted to the Bar in June after graduating with a law degree from Victoria University.

A law clerk in our team since 2007, Sarah is now a solicitor in our litigation team, busy assisting Nicholas Burley and Lisa McKeown.

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